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NEC BELLEVING

22 July 1959

ETHIOPIA

Ĭ.	Seperor Haile Selassie's acceptance of Soviet cred	1t (for \$100
	willion) and Czech credit	during his
25X1	recent visit from 29 June to 17 July to bloc (USSR	and Czechoslovakia
	poses additional problems in the West's relations	with Ethiopia.
	A. Moseow granted Ethiopia \$100 million long-term	low interest line
25X1	of credit	aigned trade
	accord, and reached agreement in fields of tec	hnical assistance
	for agricultural and industrial development an	d cultural ex-
	changes.	25X1
	3. Czechs extended Ethiopia line of credit-	
	and agreed to negotiate economic, technical, a	ad cultural
	agrossats.	
	C. Amore persist in Ethiopia that secret protoco	ls made covering
	military aid from both Moscow and Prague.	
	2. Prior to Emperor's trip, increasing bloc attemption	pts to penetrate
	Ethiopia through political and commercial mean	s largely
	unsuccessful.	
	1. Moscow's efforts in past directed primaril	y through Seviet
	embessy, parament information center, and	100-bed hospital
	in Addis Ababa which Soviets have operated	since 1947.
	a. Hussian Sed Cross had operated bospita	l for about 20
	years prior to World War I.	

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- 2. Previously Czechs had granted line of credit 25X1 last year for purchase of hospital equipment and supplies; legation and permanent trade mission in Addis Ababa active, but relatively ineffective.
 - a. Czech trade agreement signed in 1956 largely unimplemented.
- II. Reaction in Ethiopia to Emperor's agreements mixed, although generally one of approval.
 - A. Ethiopian masses accept any act of Emperor as correct; expect country's economic difficulties now over.
 - B. Most government personnel elated, but some top officials fear Emperor may have gone too far with agreements.
 - and some university students reportedly calling Emperor's action sell-out to Soviets.
- III. Moscow has scored immediate propaganda victory in Ethiopia which may have wider repercussions through out Africa.
 - A. Both Soviet and Ethiopian information media provided wide coverage of Emperor's laudatory remarks about USSR and its leaders.

 He toasted USSR as "greatest country in world."
 - B. Moscow has announced Khrushchev and Voroshilov accepted an invitation to visit Ethiopia—date yet to be agreed upon.
 - c. Arrival of numerous bloc technicians is Ethiopia would expose young, foreign-educated elements--already restive over slownessx1 in attaining high positions--to Communist influence.

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25X1		
	Emperor's primary intent probably to secure maximum assistance to solve country's economic difficulties, but probably also to stimulate 3.8. interest in Ethiopia. A. Emperor, believing he has bloc support, may assume more independent attitude toward west and stronger pan-African posture. Eny create trouble in future for 38 in terms of our communications facilities at Assara.	
25X1		